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Illinois Farmers View Agricultural and Food Policy Issues



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ILLINOIS FARMERS' PREFERENCES

During January and February 1989, 1000 randomly selected Illinois farmers received a questionnaire that asked their preferences on policy issues to be discussed as Congress writes the 1990 farm bill. Farmers who did not respond by mail were telephoned. This report is based on responses from 592 farmers who responded by mail or by phone.

On some issues, Illinois farmers have a majority agreement. On others they are divided. A more complete understanding of Illinois farmers' views on the major issues should be a useful starting point to build coalitions and bridges with other groups to achieve similar policy goals.

COMMODITY PROGRAMS

Commodity programs are a major part of the 1985 Food Security Act, and will be an important part of 1990 legislation as well. Illinois farmers hold divergent views on many of these issues.

Preferred Price Support Policy. While 39 percent of farmers that responded would prefer to keep present programs, 38 percent would like to gradually eliminate all price support programs. Very few favor mandatory supply control or the decoupling of production requirements from program payments.

Target Prices. A majority of farmers would like to keep target prices. More favor increased target prices than current or reduced prices.

Loan Rates. Although 39 percent prefer to base loans on the average market price, as provided in the 1985 Act, 34 percent prefer to eliminate commodity loans. A minority would like increased loan rates.

Paid Diversion. A majority favor paid acreage diversion for the Secretary of Agriculture to use when needed.

Marketing Loans for Wheat, Feed Grains and Soybeans. The marketing loan would enable farmers to repay their government commodity loans at the market price if this price was below the loan rate. Farmers are about equally divided among those in favor, opposed and not sure.

Acreage Bases. More farmers would prefer a total crop acreage base for their farm than the specific crop bases now in use. Such bases would allow more flexibility in making cropping decisions.

PIK certificates. More would prefer to continue than discontinue use of PIK certificates, although about one in five was not sure.

Farmer-owned Reserve. More would like to see the farmer-owned reserve continued than discontinued, but more than one in four was not sure.

Discretion for the Secretary of Agriculture. Nearly half would prefer no change in the amount of discretion given to the Secretary of Agriculture to make farm program decisions. Others are divided between giving the Secretary more or less discretion.

More Support for Smaller Farms. A majority agree that future farm programs should be changed to give a higher proportion of price and income support benefits to farmers with gross annual sales less than \$250,000.

Commodity Program Influence on Number and Size of Farms. More farmers oppose than support programs which influence the number and size of farms.

Future Dairy Policy. Farmers are divided on whether to continue the present program, phase out the program, set up production quotas or give the Secretary of Agriculture more control. Among dairy farmers, 38 percent would like to keep the present program, 29 percent wanted a production quota, 26 percent wanted to phase out the program and the remainder were uncertain or did not respond.

Cutting farm program costs. If reductions were required to reduce federal spending, farmers have two major preferences. About 40 percent would like to see reductions in the large payments. About 33 percent would prefer across-the-board percentage cuts. The lowest preference was to cut some programs more than others or to make payments only for financial need.

CONSERVATION PROGRAMS

Conservation Plan to Receive Benefits. About two out of three farmers favor the requirements for conservation plans to be eligible for farm program benefits.

Conservation Reserve Program. Farmers strongly support the conservation reserve program established in the 1985 Food Security Act. They are divided as to whether to keep the acreage at 30 million, expand to 45 million or further expand to 60 million.

Improving Soil Conservation and Water Quality. When farmers were given a list of program choices, the most frequent preference was cost sharing for conservation and water structures. The next preference was government payments to modify cultural practices. Regulating farming practices or taxing certain farming practices such as heavy use of fertilizers or chemicals were preferred by only a few respondents.

Regulating Land Use to Reduce Water Pollution. A majority of farmers believe that government should regulate certain farming practices and land uses to reduce pollution of underground and stream water.

OTHER ISSUES

Crop Insurance. The 1988 drought has made crop insurance policy a major issue. Despite limited participation in the crop insurance program, 42 percent preferred to keep the present insurance program. The other respondents were about evenly divided between direct drought assistance in

years of severe natural disturbances, requiring all farmers to buy crop insurance, eliminating all disaster payments and crop insurance, and not sure.

Payment Limit. There is now a \$50,000 limit (with exceptions) on direct price support payments. Half of all respondents would prefer to see no change. Others were divided between increasing, decreasing or eliminating the limit.

Credit to High Risk Farmers. Farmers are divided on whether the government should continue to loan money to farmers with limited capital who cannot get credit from other sources. About one-third say yes, one-third say no, and the remainder are not sure or did not respond.

Food Assistance Programs. More farmers favored than opposed increased funds for domestic food assistance programs to meet the needs of those eligible. About one-fourth were uncertain or did not respond.

Rural Development. About two out of three favor increased funds for rural development programs to expand employment and economic activity in low income rural areas.

AGRICULTURAL TRADE AND DEVELOPMENT

Reducing Trade Barriers. About four out of five favor negotiating world-wide reductions in trade barriers.

Bilateral Agreements. A majority favor separate trade agreements between the United States and individual countries.

Reducing Domestic Farm Subsidies. A majority favor negotiations to reduce domestic farm subsidies of major importing and exporting countries world-wide.

More Food Aid to Hungry Nations. More favor than oppose sending more food aid to hungry nations, but many are not sure about this policy.

Farmer-financed Market Development. A majority favor additional farmer-financed market development programs.

International Agreements. Farmers are divided on whether the United States should join with other major exporting countries to establish production and marketing controls.

Export Enhancement. A majority favor continuing the export enhancement program that was established by the 1985 Act.

Reduce Import Barriers to Enhance Trade. More farmers favor than oppose reducing agricultural import barriers to encourage more total trade. But a significant amount of uncertainty is also evident.

Helping Developing Countries Increase Their Productivity. More farmers oppose than favor helping developing countries increase their agricultural productivity and trade potential.

Special Trade Preference for Poor Countries. Farmers are divided on the question of giving selected low income countries preferred entry to our U.S. agricultural market.

PERSONAL PROFILE

Farmers of all ages are represented in the sample. About one third had gross farm product sales of less than \$40,000. Over half sold between \$40,000 and \$250,000. About 44 percent had graduated from high school, and another 36 percent had graduated from or attended college. About two out of three families earned off-farm family income.

The major source of farm income was from grain, followed by livestock and mixed grain and livestock. About three out of four participated in the 1988 feed grain program and half applied for disaster program benefits. Only 10 percent had land in the conservation reserve program.

About three out of four belong to the Illinois Farm Bureau. The most frequently mentioned commodity group memberships were the soybean, corn and pork producers associations.

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